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Chairman: Mr. BURKE (Ireland)

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 77: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (Part III) (continued)

(a) TRADE AND DEVELOPMENT (continued) (A/46/3, A/46/15 (Supp. 15, Vol. I and II), A/46/496 and Add.1, A/46/564, A/46/565, A/46/567))

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(h) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued) (A/46/3, A/46/37 (Supp. 37))

General debate (continued)

1. Mr. WEIBKEN (United Nations Food and Agriculture Organization) said that the balance sheet of the last ten years gave little cause for rejoicing so far as the least developed countries (LDCs) were concerned: the handicaps of those more than 40 poorest countries had been aggravated by the international situation and the crushing burden of debt that weighed on them. Moreover, there had been a decline in real terms of official development assistance while the flow of private capital had dried up and the programmes of those international organizations mandated to assist them had shrunk because of a lack of resources.

2. There were, however, some encouraging elements to counterbalance that dark picture. All of them had to do with the food and agriculture sector of the LDCs. Optimism was all the more justified because the Programme of Action for the Least Developed Countries for the 1990s rightly gave priority to the development of that sector, as agriculture accounted for nearly half of the gross domestic product of the LDCs and employed three quarters of their labour force.

3. The massive increase in agricultural production by the LDCs was essential to their recovery and it required first of all adequate investment. Yet the share of public investment allocated to the agricultural sector was only between 8 and 10 per cent, although the Organization of African Unity had recommended 20 to 25 per cent in the mid-1980s. A second vital prerequisite was the provision of inputs in much larger quantities in order to increase yield per hectare.

4. Moreover, agricultural production, as part of a dynamic process of rural development, must also be sustainable, as was recognized in the Den Bosch Declaration and Agenda for Sustainable Agricultural and Rural Development adopted by the FAO/Netherlands Conference on Agriculture and the Environment in April 1991, which 26 of the least developed countries had attended. The final document of the Conference made a major contribution to the preparatory

(Mr. Weibken, FAO)

process for the United Nations Conference on the Environment and Development as regarded the agricultural sector. The Food and Agriculture Organization of the United Nations (FAO) had also prepared an International Scheme for the Conservation and Rehabilitation of African Lands in order to help African countries halt land degradation.

5. Food aid was essential as long as production was insufficient in those countries and food security must be ensured for countries lacking foodstuffs. That was why 70 per cent of the resources available under the FAO Food Security Assistance Scheme were being utilized in LDCs, and 95 per cent of them in Africa.

6. Moreover, the least developed countries needed improved information-gathering machinery on food crops and stocks and emergency preparedness planning. Through its Global Information and Early Warning System on Food and Agriculture, FAO was actively involved in monitoring food supply and demand conditions in LDCs and issued special alerts to the international community whenever needed; it also helped those countries to establish their own early warning systems (which were now in operation in 20 African and Asian countries).

7. Other productive sectors to be developed were fisheries and forestry, the latter an essential source of energy for the LDCs. FAO was accordingly planning large-scale programmes of action in those two sectors, such as the Tropical Forestry Action Programme, which was of direct benefit to LDCs.

8. FAO also provided, in cooperation with regional and subregional organizations, technical assistance to promote economic cooperation between developing countries (ECDC) and technical cooperation between developing countries (TCDC). Such collaboration involved the formulation of agricultural development strategies and the development of mechanisms for the expansion of intraregional agricultural trade and assistance in the implementation of regional, subregional and concerted national food security schemes.

9. All those activities needed to be embedded in the wider context of rural development strategies, human resources development and institutional restructuring. A great deal of FAO's work in that field followed the guidelines of the 1979 World Conference on Agrarian Reform and Rural Development.

10. The Programme of Action for the 1990s rightly recognized the need for LDCs to define agricultural development strategies. A framework for such a strategy had been formulated in the basic FAO document entitled "Agriculture: toward 2000" and in another study of African agriculture which set forth practical measures centred on the protection and development of natural resources. FAO provided assistance in the formulation of those strategies while helping to improve the capacity of LDCs for policy analysis and planning.

(Mr. Weibken, FAO)

11. In view of the importance of those agricultural development strategies for the LDCs, it was essential that domestic sectoral and macroeconomic policies give adequate attention to agriculture and that the necessary resources be allocated to it. The international community must also take the measures necessary to improve market access for the agricultural products of the LDCs, as increased export earnings in that area were essential to the restoration of their economies.

12. Mr. EMDORID (Libyan Arab Jamahiriya) said that in an increasingly interdependent world in which interests and problems were ever more closely linked, especially with regard to trade, finance, technology and development, collective action was required in order to find comprehensive solutions to the problems of the world economy. The solution of the urgent problems of the developing countries and the resumption of their development and economic growth required the creation of a favourable world political and economic environment and the establishment of a multilateral trade system which was open and free from discrimination. Given the growing imbalances and the continuing deterioration in the economic and social situation in many developing countries, given too the obvious failure of their development efforts over the previous two decades, in particular the 1980s, and given the ever widening gap between the advanced countries and the developing countries, it was necessary to resume as a matter of urgency a constructive North-South dialogue based on complementarity and justice, with a view to building a new world economic order offering real opportunities and prosperity to all peoples, large or small, within the framework of a multilateral system based on free and fair trade and of a stabler and sounder international monetary and financial system which would enable the developing countries to take up their proper role in the management of international financial affairs, a role corresponding to their interests and facilitating the balanced development of the world economy.

13. His delegation stressed the need to respect the commitments undertaken in the Declaration on International Economic Cooperation, in particular the relaunch of economic growth and development in the developing countries, to implement the International Development Strategy for the Fourth United Nations Development Decade, and to carry out the Programme of Action for the Least Developed Countries for the 1990s. It was to be hoped that the new decade would be an era marked by a spirit of constructive cooperation between peoples, rich or poor. The big political and social changes which had taken place in many parts of the world had substituted rapprochement and understanding for confrontation and hostility. But the new trend in international relations had not prevented certain developed countries from continuing to pursue hostile policies, engage in discrimination and adopt, for egoistical political purposes, coercive economic and trade measures against some developing countries. Those coercive measures, such as economic and scientific blockades and boycotts, the freezing of assets and refusal to share technology, had been repeatedly condemned by the international community, which regarded them as a real obstacle to the advancement of peoples and

(Mr. Emdorid, Libyan Arab Jamahiriya)

judged them to be contrary to international law and the purposes and principles of the Charter of the United Nations. His country once again called on the States concerned to cease such practices and to return to the way of dialogue and understanding, thus complying with the oft-repeated wishes of the international community in that respect.

14. The whole world, and the developing countries in particular, needed successes in trade commensurate with the political successes won by peoples. If that trend was to consolidate itself and flourish and if the cold war was not to reappear in many parts of the world, peace must reign in politics, economics and trade. The developing countries had indirectly helped other countries to develop successfully, and it was therefore only just that they should themselves be helped today when they were seeking to break out of the grip of underdevelopment. The financial and technical assistance of international organizations and the advanced countries and the relief of debt and its servicing would have positive effects for everyone. International economic relations must be based on equal, honest and open trade in all goods, in particular the commodities produced by the developing countries. They were heavily dependent on their exports to finance their development, but their export earnings melted like snow in the sun owing to the lack of objectivity in the current economic, trade and technology system, a phenomenon aggravated by the decrease in the share of the developing countries in the markets of the developed countries and in world trade in general. His country, like other countries suffering under the present economic and trade situation, was working through individual, bilateral, regional and multilateral initiatives for the establishment of a new economic, trade and financial order which would be fairer, stabler and more transparent, an order in whose creation and development all countries would participate.

15. Development presupposed the existence of financial and human resources, realism in planning, consistency in implementation, and the integration of all the available capacities. The developing countries had inherited difficulties and problems whose solution required considerable resources, time, skills and technology and open external markets. Those factors, which were the precondition for development, required international solidarity and more generous support for the developing countries by the advanced countries.

16. Although a developing country, the Libyan Arab Jamahiriya had never ceased to work for fair international cooperation and to develop its cooperation with brother countries and friends in the interest of all. It had had recourse without any kind of discrimination to hundreds of foreign enterprises and institutions in the implementation of its development programmes and had established with brother countries and friends trade relations free of protectionist barriers which had had beneficial effects on many countries of the region. With regard to the efforts to build a single Arab entity, from the Atlantic to the Gulf, his country had encouraged all forms of regional or subregional cooperation and complementarity. In that context the Arab Maghreb Union was endeavouring to organize economic

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complementarity among its member countries and to create a common market to help them to overcome their current economic difficulties as best they could.

17. It was common knowledge that the resumption of economic growth and development depended on the scientific and technological capacities made available for that development. The developing countries were trying to build and develop their independent capacities and resources by improving the traditional technologies available, drawing on scientific and technological progress and adapting it to the local situation. Nevertheless, the international community had a duty to take the necessary measures to bridge the science and technology gap between the developed and the developing countries by helping the latter to strengthen their science and technology capacities, institutions and resources. The first such measure would be to put an end to the discrimination against certain developing countries in that area and to the practice of making the transfer of technology and scientific knowledge subject to unfair terms. There must no longer be any discrimination between the countries which were trying to obtain by trade the modern science and technology needed for their development. His delegation was convinced that the transfer and use of technology within a framework of advantageous and appropriate rules and conditions was a necessary and effective contribution to speeding up the growth and development in the developing countries and thus to the creation of a more favourable world economic environment.

18. In conclusion, his delegation paid a tribute to the action taken by United Nations bodies to support economic and social development and strengthen multilateral economic cooperation. The United Nations Conference on Trade and Development (UNCTAD), in particular, was an effective tool for the establishment and development of dialogue and international cooperation, and it was therefore to be hoped that its forthcoming eighth session would be crowned with success.

19. Mr. ACHARYA (Nepal) said that with the growing integration in trade, technology, transport and communications, the world economy had become more interdependent than ever, making economic autarky as anachronistic as political isolationism. The globalization of the world economy must take place without marginalizing the least developed countries. It was therefore essential to prevent a further deterioration of the socio-economic conditions of those countries. In that regard, the 1990 Paris Declaration was a new development, because it emphasized the concept of shared responsibility and strengthened partnership and had thus given a ray of hope to the least developed countries.

20. Assuming its share of the responsibilities, the new Government of Nepal had given priority to economic development, promotion of the spirit of entrepreneurship and the alleviation of poverty. A deregulation process should open the way to individual initiative, thereby stimulating growth and productivity, and a number of other measures, including a currency devaluation, would stimulate exports. His Government had also begun a streamlining of the bloated public sector.

(Mr. Acharya, Nepal)

21. In another area, Nepal had embarked on a population control campaign and initiated agricultural development programmes to ensure food security for the population and enhance productivity. It had adopted an integrated approach to the environment and the economy and was promoting foreign investment.

22. Despite all those micro- and macroeconomic reforms, Nepal, like many least developed countries, was experiencing considerable difficulty breaking out of the vicious circle of underdevelopment, primarily because of a lack of resources, basic infrastructure and institutional capacity and a high population growth rate. Being a land-locked country that was difficult to reach was an additional handicap.

23. Another important aspect of the problem was the international economic environment. As pointed out by the Secretary-General in his report on the question (A/46/566), global economic trends in 1990-1991 had provided an unfavourable context for the reactivation of growth in the least developed countries called for in the Programme of Action. The slowdown of world economic growth accompanied by a deceleration of world trade expansion and a decline in real prices of major non-fuel commodities had thus adversely affected the performance of those countries in that period.

24. The international community could help the least developed countries by creating a favourable environment in three major areas: external resource flows, debt relief and international trade.

25. One of the major achievements of the Declaration adopted at the 1990 Paris Conference had been that all countries had agreed to devote 0.2 per cent of their GNP to official development assistance to the least developed countries. Unfortunately, the increase in assistance to date in real terms had only been marginal, growing from $15.3 billion in 1989 to $17.3 billion in 1990. Nepal was pleased to note that the net concessional disbursements of the World Bank accounted for nearly 40 per cent of that total. Certain IMF programmes had helped to cushion the adverse impact of structural adjustment programmes.

26. A second area in which the international community could take action was in reducing the burden of debt servicing. The least developed countries needed foreign resources, and in many cases the net resource flow of those countries had become negative. His delegation appreciated the proposals adopted at the London Summit of the Group of Seven Industrialized Countries as well as that made by the United Kingdom and the Netherlands on debt rescheduling and relief. There must be a mechanism to reconcile debt servicing and the urgent need of the least developed countries for funds.

27. The third important factor was a favourable international trade system. As the least developed countries needed to export, their products must have access to international markets. Several measures could be envisaged to that end: a reduction of non-tariff barriers, promotional supports, special

(Mr. Acharya, Nepal)

compensatory measures and assistance in export diversification. The programme of cooperation and coordination envisaged in the Programme of Action must be effectively utilized.

28. The main aims and objectives of the Programme had thus been clearly defined. In general, the least developed countries were taking bold steps towards fundamental reforms within the Programme's framework. They must pursue their determined efforts, with the help of the other members of the international community, to implement the Programme of Action in a resolute and consistent fashion. That augured well for creating a firm basis for a new international order.

29. Mr. ISAKOV (Union of Soviet Socialist Republics) said that the ongoing analysis of the problems relating to trade and development was particularly important because of the imminent conclusion of the Uruguay negotiations and the preparations for the eighth session of the United Nations Conference on Trade and Development (UNCTAD). In view of the growing interdependence of States and of international economic relations, a harmonization of policies had become increasingly indispensable. The multilateral bodies, including the Bretton Woods institutions, UNCTAD and GATT, must adapt to those new realities, and it was vital to make effective use of their comparative advantage.

30. The participation of the Soviet Union in the work of GATT, as an observer at the current stage, enabled it to familiarize itself with international practice, deriving strategies and tactics to speed up its transition to a market economy and the creation of a totally new system of foreign economic relations. As to its partners, they had the possibility of receiving first-hand information on the ongoing economic reforms in the Soviet Union and reliable statistics on its economy.

31. The Soviet Union was currently experiencing a dramatic period with regard to its development. The revolution of August 1991, which had accelerated the democratization process and made it irreversible, had not put an end to the economic crisis. Centrifugal factors had aggravated an already complex economic situation, exacerbating the drop in productivity and bringing about a marked decline in foreign trade: according to official data, exports had fallen by 26 per cent and imports by 47 per cent in the past nine months.

32. However, the signing in Moscow on 18 October 1991 of a treaty of economic union by eight sovereign republics, which had subsequently been joined by three others, including Ukraine, constituted a major event in the economic and political stabilization of the country. The document defined a common monetary, customs and foreign economic relations policy and had made the new community the successor body for all the USSR's foreign trade obligations, thereby guaranteeing that they would be met. The treaty also ensured the free movement of goods and services. Its members were free to make their own policies in the area of foreign investment and aid, as well as regulations for

(Mr. Isakov, USSR)

licensing agreements, subject to the necessary coordination of those policies and operations in the areas concerned.

33. Intensified cooperation with GATT did not mean that the Soviet Union attached less importance to UNCTAD. It still believed that it was a unique organization for solving problems concerning trade, development finance, the international monetary system, protectionism, stabilization of commodity markets, restrictive trade practices, the needs of the least developed countries, etc., and would continue to actively support its work. However, as part of the preparation for its eighth session, UNCTAD must pay adequate attention to the problems of those countries which were making the transition to a market economy. Measures should be taken to integrate the USSR and other Eastern European countries fully into the multilateral trade system and the global economy.

34. His delegation found the introductory note to the Secretary-General's report on strengthening international organizations in the area of multilateral trade (A/46/565) interesting, but believed it would be preferable to postpone consideration of that question to the next session of the General Assembly in order to take into account agreements which might be reached in the meantime as a result of the Uruguay negotiations, as well as the conclusions of the eighth session of UNCTAD.

35. The acceleration in scientific and technical progress was one of the major factors in world socio-economic development. But it was a two-edged sword, because technological innovations often contained hidden threats to the environment. How to reconcile scientific and technological development with preservation of the planet's ecological balance would be the major challenge to mankind in the twenty-first century, and all specialists should henceforth make concerted efforts to find solutions. The United Nations had an important role to play, especially in implementation of the objectives of the Vienna Programme of Action on Science and Technology for Development.

36. It would be useful to establish detailed global projections for scientific and technological progress and to provide recommendations for Government science and technology policy, with particular attention to the problems of developing and least developed countries. The recommendations offered in the report of the Intergovernmental Committee on Science and Technology for Development on its eleventh session (A/46/37) concerning the strengthening of scientific and technical cooperation to solve socio-economic problems of developing countries, therefore, were particularly appropriate. The Centre for Science and Technology for Development had planned a series of conferences on clean coal technology (in India, China and the USSR) and workshops on spin-offs of space technologies. It would be appropriate to evaluate the results of such projects regularly, taking into account the opinions of host States.

(Mr. Isakov, USSR)

37. His Government actively supported United Nations efforts to promote scientific and technical cooperation, but had not yet reached its full potential in that area. Once it had overcome its current economic crisis and was fully integrated into the market economy, it could significantly increase its contribution to the long-term objectives of the Vienna Programme of Action.

38. Mr. NEBIE (Burkina Faso) reviewed some of the characteristics of the 42 countries categorized as least developed: GDP of $259 per inhabitant, high population growth, outstanding debt representing more than two thirds of GDP, debt service absorbing more than 50 per cent of export receipts. He emphasized that the least developed countries had a population of 440 million, nearly one tenth of the world population.

39. Burkina Faso welcomed the adoption of the Programme of Action for the Least Developed Countries, which reaffirmed that they had the primary responsibility for the formulation and effective implementation of national policies and priorities for their growth and development. In application of that principle several developing countries, including Burkina Faso, had launched strategies and taken various measures: restructuring of public sector companies, closing of unprofitable production units, loosening of economic and legal regulations, encouragement of private initiative, promotion of direct foreign investment, establishment of free trade zones, etc.

40. Despite those structural adjustment programmes, the least developed countries had not yet managed to overcome their difficulties. That failure could be attributed to an international economic environment, controlled essentially by the developed countries, in which they barely had a foothold. The economic climate was characterized by decreased demand for the commodities the least developed countries were able to export, increased protectionism affecting their exports, higher interest rates world wide which had increased debt service, a decline in many commodity prices, insufficient ODA and a hardening of the terms of aid. All of those factors hindered the development efforts of the least developed countries. Cooperation from the international community was therefore more essential than ever.

41. His delegation appealed to donors to increase the resources of the United Nations Capital Development Fund, whose activities were increasingly crucial for the least developed countries. It also hoped that efforts would be made to offer technical and economic assistance and counted on the developed countries to demonstrate a more determined political will to promote the implementation of the Programme of Action. Since that Programme had just begun, it was too early to give a progress report, but his delegation hoped that an evaluation would be conducted midway through the Programme to correct any problems.

42. Another reason for mediocre results in least developed countries was the fact that, individually, they did not constitute viable economic entities, in the current era of large groupings and the establishment of economic

(Mr. Nebie, Burkina Faso)

communities. The least developed countries of Africa were participating in integration efforts both regionally within and on a continent-wide level.

43. Mrs. AMERASEKARE (Sri Lanka) said that the concerns of developing countries must be globalized and should concern the entire international community at a time when global development was much spoken of. The two principal factors promoting economic growth were trade and technology; for that reason an unfair trading system and lack of access to technology were of great concern to developing countries. Those countries were caught in a struggle against poverty, excessive indebtedness and internal economic disorders. Most still depended on commodity exports, and falling prices during the 1980s had created serious budgetary problems.

44. Sri Lanka, for example, had planned for a growth rate of 5.5 per cent per annum for the period 1982-1987, but the final figure had been no more than 4.1 per cent. Despite a massive investment programme, a range of incentives to agriculture and industry and the liberalization of the economy and notwithstanding a number of budgetary and monetary measures, results had been disappointing and economic activity had decelerated after 1983. One of the main causes had been the disappointing performance of the export sector. The explanation was to be found in reasons beyond the control of the country itself but within the control of the developed world. Prices of tea, rubber and coconut, which were the traditional export products, had collapsed after 1985. Export earnings had reached 1,432 million SDR in 1984 but were no more than 1,061 million SDR in 1987. The growth of non-traditional exports was constrained by restrictions in world markets and lack of access to technology. Like other developing countries, Sri Lanka had been consistently frustrated in its efforts to achieve sustained economic growth.

45. For island countries like Sri Lanka, which lacked natural resources such as petroleum and minerals, the only way to make the best use of human resources was through rapid industrialization. Achievement of that goal depended on the ability to trade freely and integrate with the markets of the rest of the world. The establishment of a free trading system was therefore vital for global growth and was in the forefront of the new global approach to development.

46. A number of measures were required: elimination of tariff and non-tariff barriers, specialization based on comparative advantage and preferential treatment for developing countries etc. Those countries needed technical cooperation in order to build up market information and identify outlets for their products.

47. Countries that depended mainly on primary commodities must diversify their exports and concentrate on products with higher added value. Refinancing must also be available to them. The global effort in the 1990s must focus on those two points.

(Mrs. Amerasekare, Sri Lanka)

48. In addition any industrialization process required the acquisition of technology and scientific knowhow. The United Nations system had an important role to play in helping the developing countries identify, procure and absorb new technologies which would enhance comparative advantages.

49. International cooperation in that field was essential, as also was the political will of developed countries to transfer advanced technologies to developing countries by investing in those countries. Developing countries must not however become the dumping ground for environmentally hazardous technology.

50. Most developing countries had seen their efforts to industrialize fail, and among the reasons for that failure had been that, apart from the unfavourable external economic environment, they lacked endogenous technology which would be more appropriate and cost-effective and at the same time were not in a position to absorb or adapt new imported technologies. An effort must therefore be made in the field of education; in particular, universities and research centres must be strengthened in order to bridge the widening technology gap between the developed and the developing countries. The latter must not be content to advance step-by-step; they must leap forward and, in order to be able to do so, needed growing numbers of engineers and scientists. Training was therefore the key.

51. The promotion of world economic growth was the joint responsibility of developed and developing countries alike. It was to be hoped that the world community would know how to take advantage of the possibilities offered by the eighth session of UNCTAD and the Uruguay Round.

52. Mr. GALGAU (Romania) said that the emerging new order, which involved strategic, political and economic changes, regional integration movements and technological and information revolutions, called for a new spirit of multilateralism, international cooperation and development assistance.

53. Free trade was of primary importance for growth in all countries, and efforts to create prosperity through open and free economic relations must succeed. The world community was increasingly aware that progress towards democracy, political freedom and social harmony went hand in hand with the process of evolution towards greater economic opportunities. The question was therefore whether the international community was ready to give a chance to the democratic regimes and market economies that were rising in Eastern Europe and throughout the developing world and to return the world economy to the path of prosperity through trade.

54. The discussions at the recent session of the Trade and Development Board, as well as the preparatory meetings for the eighth session of UNCTAD, had brought to the fore the need to address long-standing problems of growth and development through innovative policy approaches and practical measures to strengthen national and international action towards a more healthy, secure

(Mr. Galgau, Romania)

and equitable world economy. Increased global interdependence was compelling all countries to give immediate impetus to multilateral economic cooperation.

55. Romania welcomed the economic declaration adopted by the Group of 7 at the London Summit, as well as the commitments made to ensure a successful conclusion of the Uruguay Round, which was the first priority of the world economy. According to the latest news on the negotiations, encouraging efforts were being made in Geneva to reach an agreement on the main outstanding issues before the end of the year. At the same time important headway had been made in the preparations for the eighth session of UNCTAD which should make it possible to strengthen world solidarity, particularly through trade liberalization.

56. A number of countries had shifted to more outward-oriented development strategies in which exports and imports played a much larger role. At the same time, sectors which had previously been considered "strategic" had been liberalized and other stringent policies regulating the activities of foreign investors had also been eliminated.

57. The rapid evolution of international economic relations called for further practical measures that would aim at the better integration of economic efficiency and sound management at the domestic level with broader international development objectives.

58. During the previous two years, artificial barriers had been demolished in Europe as a result of the movement towards freedom and democracy in the countries of Eastern Europe. Efforts must now be made to prevent the erection of new barriers of an economic nature which might lead to a renewed division of the European continent. The new democracies must not be excluded from the closer cooperation which had already been achieved among the countries of Western Europe. Romania was ready to participate in building a new Europe and to accept its share of responsibility in accordance with the goals of the Paris Declaration.

59. Indeed, Romania and the other Eastern European countries were currently in the vanguard of trade liberalization. Without waiting for the conclusion of the Uruguay Round, they had opened up their markets, abandoned non-tariff barriers and reduced their tariffs. According to a recent IMF study, 45 transitional economies and developing countries had launched unilateral trade reform efforts since the start of the Uruguay Round, at the risk of destabilizing their industries and balance of payments. The developed countries, for their part, must take similar measures and contribute to the achievement of an open system that would provide the markets that were indispensable for the growth of the transitional and developing economies.

60. Romania had adopted important measures for speeding up liberalization and privatization of foreign trade, as part of its programme of economic reform; decision-making had been transferred from the macroeconomic level to the

(Mr. Galgau, Romania)

micro-economic level; mechanisms had been set up for equal treatment for all economic agents, private or public; the code of foreign economic relations had been revised and the role of central bodies and the State in foreign trade had been drastically limited. Currently, practically the entire range of imports and exports had been liberalized. Licences were required for statistical purposes only. In the process of price liberalization, a new customs tariff had been introduced recently which provided for lower rates and applied equally to all economic agents. The private sector in that field was expanding rapidly and the volume of exports had risen fron $10.2 million in 1990 to over $35 million in the first half of 1991.

61. Action by individual countries, however important, could not by itself meet the global challenges and cope with the reality of interdependence. At a time of growing globalization of the world economy and internationalization of markets, it was more urgent than ever to strengthen multilateral economic cooperation. The eighth session of UNCTAD, to be held at Cartagena, would have a particularly important part to play; it would have to identify the ways in which cooperation for development could be reinforced and the future role of UNCTAD adapted to the requirements of a changing international environment, taking into account the incompleteness of the current institutional arrangements governing international trade relations.

62. Mr. NIELSEN (Denmark), speaking on behalf of the Nordic countries, said that the least developed countries did not share the optimism of the developed countries over the dramatic events in Central and Eastern Europe. Population growth continued to exceed the increase in food production in the least developed countries, where the situation was grim and child mortality and disease continued to take a heavy toll. Efforts to alleviate poverty in developing countries, and especially in the least developed countries, must be intensified. The sufferings resulting from poverty and the ensuing alarming effects of environmental degradation and migration called for broad international cooperation in addition to existing joint efforts to bring about growth and equity. The Nordic countries had for many years allocated the major part of their development assistance to the least developed countries. The Programme of Action for the Least Developed Countries for the 1990s, adopted at the Second United Nations Conference on the Least Developed Countries held in Paris in September 1990, must be implemented.

63. Economic policies must certainly stimulate market forces and activity in the private sector, as a prerequisite for economic growth, but the private sector should be supported by an efficient public sector; for most of the least developed countries, private sector financing would remain limited for some time to come, so that official development assistance would remain critical. Official development assistance accounted for between 10 and 15 per cent of the least developed countries' gross domestic product and in some countries considerably more, and those countries needed more concessional resources to cover their external financing needs. The Nordic countries would like to see an increase in the target of 0.15 per cent of the gross national

(Mr. Nielsen, Denmark)

product of donor countries for official development assistance to the least developed countries. The latter group currently comprised 42 countries, which was ample proof of the precarious situation of many developing countries. But aid must be used as effectively as possible and act as a catalyst for economic growth for the benefit of the poorest and most vulnerable groups. A reduction in military expenditure in both industrialized and developing countries would release resources which could be used for growth.

64. The debt crisis was paralysing recovery in many countries and posing a threat to long-term development prospects. Despite efforts by debtor and creditor countries alike, there was no sign of an end to the debt crisis. Innovative and bold measures to solve the least developed countries' debt problems and greater efforts by all parties were urgently needed. The Nordic countries favoured a case-by-case approach, and new and creative instruments had been devised for dealing with the debt burden; everyone recognized the need to reduce indebtedness, especially for the poorest and most heavily indebted countries which were undertaking sound economic reforms. The Nordic countries urged creditor Governments which were members of the Paris Club to take prompt action on additional debt relief for the poorest countries. For the most indebted countries, which were themselves making serious efforts to solve their economic difficulties, debt reduction of up to 80 per cent should be granted.

65. The adverse effects of unfavourable commodity market conditions had been magnified for the many least developed countries which depended heavily on the export of a few commodities. To help those countries to diversify their economies and boost their export earnings, the industrialized countries should commit themselves to a substantial reduction in or the removal of tariff barriers, within the framework of the generalized system of preferences. The same would apply to non-tariff barriers. The Nordic countries therefore urged all participants in the Uruguay Round to make every effort to ensure substantial and balanced results. They would also take part in international cooperation to implement measures to be financed out of the second account of the Common Fund for Commodities and to improve commodity markets if market trends permitted.

66. The Paris Conference on Least Developed Countries had adopted comprehensive and balanced provisions on the issue of the environment. The Nordic countries were fully committed to the promotion of sustainable development at all levels of socio-economic activity in the least developed countries and would work for those countries' participation in the international efforts for global environmental protection, especially with respect to climate change, biological diversity and the preparations for the United Nations Conference on Environment and Development. They also recognized that least developed countries needed special assistance in tackling environmental problems.

(Mr. Nielsen, Denmark)

67. In view of the importance of the human dimension in development, the least developed countries needed help in developing human resources and capacity-building, especially in science, technology, management and efforts to establish new democratic institutions. It was encouraging to see that more and more developing countries recognized that there was a vital connection between an open and accountable democratic political system, individual rights and the effective operation of economic systems. Development policies based on sustainability and equitability could not succeed without respect for human rights, popular participation and democratic pluralism. Women must be given the same opportunities as men at all levels.

68. The eighth session of UNCTAD, to be held at Cartagena, Colombia, in February 1992, would be an occasion to confirm the progress being made in solving the issues of trade and development in an interdependent world. An overall process of revitalizing the United Nations in the economic and social fields had been launched and UNCTAD should not stay isolated from it. The eighth session would provide an opportunity to consider how UNCTAD could better serve its member States in a world that had changed considerably since it was established in 1964. An atmosphere of economic cooperation had replaced one of political confrontation. The main objective of the next session must therefore be to restore the credibility and relevance of UNCTAD. The analytical work undertaken by UNCTAD could be intensified and might focus on the complex interaction between trade, technology, direct foreign investment and services. The contribution made by UNCTAD in that field was unique. An innovation that might be considered would be some kind of national policy review exercise which combined analysis with the formulation of practical advice for the country concerned. The revitalization of UNCTAD must be accompanied by a review of its current working methods. A more precise definition of its tasks in relation to those of other United Nations bodies in the field of economic and social affairs was also required. But the inclination to negotiate on all possible subjects should be abandoned, because it contributed to undermining the credibility of UNCTAD as a negotiating forum.

69. Mr. REN Quan (China) said that the expansion of international trade was an important condition for economic development. The objectives of the Uruguay Round were to halt protectionist trends and to develop a more viable and durable multilateral trading regime. However, the pace of negotiations was very slow and disappointing. The negotiations on issues of ultimate concern to developing countries, such as access to markets, textiles and clothing, were lagging far behind those of concern to developed countries. If that imbalance was not rectified, it would greatly limit the eventual benefits desired by developing countries. A package of substantial and balanced agreements acceptable to all the parties involved should be concluded at an early date. The common interests of both North and South were at stake. The key to success was simply the political will of the participants. China appealed to all parties, and to certain developed countries in particular, to act in the interests of all and in a spirit of mutual understanding to ensure the success of the negotiations.

(Mr. Ren Quan, China)

70. The eighth session of UNCTAD should assess and analyse in depth the impact on the world economy and on the growth of developing countries of such new and important issues as the evolution of East-West relations, the formation of trading blocs among developed countries and the final outcome of the Uruguay Round. Realistic and effective measures would have to be worked out in the five interrelated areas of resources for development, international trade, technology, commodities and services. The adoption of such measures by consensus would facilitate international cooperation. The session should also consider ways and means of improving and strengthening the international debt strategy.

71. Despite their efforts, the least developed countries were experiencing a continued deterioration in their economic and social situation due to their fragile economic infrastructures, their frequent exposure to natural disasters and the adverse external economic environment. During the past two decades, the number of least developed countries had increased from 25 to 42. According to the new criteria recommended by the Committee for Development Planning, the number would increase from 42 to 47, representing almost 30 per cent of the United Nations membership and one fifth of the population of the developing countries. It was tragic that so many countries currently had to be classified as least developed.

72. The adoption by the international community of the Programme of Action for the Least Developed Countries for the 1990s and the Paris Declaration demonstrated its political will to adopt effective measures to assist the least developed countries in their economic development. China supported the recommendations contained in the Programme of Action and hoped that it would be implemented speedily. China itself was a low-income developing country with limited economic capacity and a large population, but it had always provided economic and technical assistance to third world countries and to the least developed countries in particular, so far as it could. It would continue to do so and to develop various forms of effective economic cooperation with the least developed countries.

73. For various reasons, implementation of the Vienna Programme of Action on Science and Technology for Development was unsatisfactory and the fund-raising target had not been reached. However, the spirit of the Programme of Action still remained valid. In recent years, the United Nations had aroused greater expectations in various areas and China believed that the Organization should also strengthen its role in the field of science and technology. The current structural reform should move in that direction. The Centre for Science and Technology for Development that had resulted from the 1979 Vienna Conference was the only independent organ at Headquarters promoting the development of the scientific and technological capabilities of developing countries. Since its establishment, the Centre had overcome various difficulties and done much useful work. China would continue to give it financial support commensurate with the country's financial means. China considered science and technology to be the principal productive force and its own science and technology had

(Mr. Ren Quan, China)

made remarkable headway since the launching of its policy of reform and opening up to the outside world. The country had built up a fairly comprehensive system of science and technology covering various disciplines, with over 5,000 research and development institutes and more than 10 million State-employed researchers. It devoted 0.7 per cent of its gross national product to scientific research and development and was trying to increase the figure to about 1 per cent by the end of the century. China would continue to cooperate with the United Nations in the development of science and technology.

74. Mrs. ROCKEFELLER (United States of America) said that prosperity in any country would be greatly influenced by its competitiveness in world markets. That meant that a strong multilateral trading system was vital to the development and stability of the world economy. Unfettered trade benefited all nations. Further trade liberalization through the Uruguay Round and other avenues would benefit all countries. The developing countries depended on access to the markets of the developed world for their agricultural products and basic manufactures. In the western hemisphere, the United States was seeking to reduce barriers to trade, by reconciling divergent national laws and practices affecting trade in goods and services, to lower tariff and non-tariff barriers, to increase investment flows and to build a secure regional foundation for greater global liberalization of trade.

75. She recalled the initiatives taken by President Reagan in 1982 and by President Bush in 1990 in favour of the Caribbean countries. In 1990, President Bush had also proposed the Enterprise for the Americas Initiative with the long-term goal of creating a hemispheric free trade system.

76. To achieve that goal, consultative councils had been set up to discuss and resolve trade problems. A number of Latin American countries were liberalizing their trade and working to conclude trading arrangements among themselves. The Free Trade Agreement with Canada made possible, among other things, the accelerated elimination of tariffs. Trade liberalization and economic growth throughout the American continent should strengthen the process of democratization and political reform started in the past decade. The North American Free Trade Agreement should act as a catalyst for regional growth and development. That Agreement made the three North American countries the world's largest market, with an annual production of $6 trillion. All three countries should benefit in terms of growth, investment and jobs. It should be emphasized that the aim of the Agreement was to lower barriers to trade among the three countries, not to raise new barriers against other trading partners. Proof was the welcome given by the United States to the advent of the single European market in 1992, which should lead to further trade liberalization and promote world economic growth. Certain specific concerns remained, however, such as public procurement and the proposed automobile quotas, and the single market should not serve as a pretext for erecting artificial barriers to trade with nations outside the region.

(Mrs. Rockefeller, United States)

77. The world trading system was at a crossroads. Political and economic developments throughout the world made it urgent to strengthen the rules of international trade. A more liberal system would benefit all nations and would aid political and economic progress in the new democracies and the least developed countries. The United States Government's highest priority was to strengthen the international trading system through a successful conclusion of the Uruguay Round. Liberalization of trade in agricultural products and a more effective integration of agriculture into the GATT system was a major goal of the Government, which was seeking to reform trade-distorting agricultural policies. That reform must include substantial progressive reductions in export subsidies, barriers to market access and internal supports.

78. The development of fair rules to bring the dynamic sectors of trade in services, investment and intellectual property under GATT discipline was another key role of the Uruguay Round. Those sectors accounted for roughly $1 trillion worth of goods and services, and one third of world trade, but were not sufficiently covered by current trade rules. The United States Government also wanted to curb trade-distorting subsidies, currently amounting to hundreds of billions of dollars, so that firms could compete on the basis of price and quality, not government subsidies. The United States wanted to increase the integration of all developing countries, including the least developed, into the GATT system and its obligations. It also wanted to establish swift, sure and effective means of resolving trade disputes. The United States Government was prepared to make the hard decisions - for example, in textiles, tariffs and agriculture - that were needed to help bring about a comprehensive agreement and it expected its trade partners to do the same. Without a real international consensus on free trade, foreign markets could increasingly be closed to developing countries, thus retarding their economic development.

79. On the question of science and technology for development, the United States Government firmly believed that free international trade was a major agent for the adaptation and diffusion of environmentally sound technologies throughout the world, especially commercially applied technologies. The diffusion of technology occurred principally as a result of exports of goods and services, direct foreign investment, joint ventures and licensing. Accordingly, her delegation believed that the primary emphasis of Governments and international organizations should be on policies that promoted an economic and regulatory environment conducive to the commercial application of appropriate, environmentally sound technologies. They could also play a role as sources of information and technical assistance on specific technologies and their appropriate use. To that end, institutional efforts should be refocused to improve the flow of information and assistance on environmentally sound technologies to developing countries. Technology would clearly be an essential part of the efforts to relaunch the world economy, protect the environment and eliminate poverty.

80. Mr. SALAZAR (Colombia) said that, now that the cold war was over, the question of economic and social development should move to the forefront of United Nations concerns. Colombia was convinced that a coherent economic restructuring programme was vital to enable a country to embark on new growth. Tax reform, the restoration of external competitiveness and increased domestic savings were all essential aspects of economic development. Nevertheless, external conditions were equally important. Market access, fair prices and a chance to exploit comparative advantage were the right way to free the resources that would make it possible to solve the debt problem and obtain the foreign currency essential for national development. However, because of various tariff or non-tariff barriers, the specific purpose of which was to restrict trade, the developing countries could not sell their products to those who should logically be their purchasers. Prices for commodities other than oil were generally unremunerative. Agreements on quotas and prices, negotiated earlier at a time of greater generosity and solidarity, had been cast aside and the third world had been forced to give up its dreams. Recent events in Eastern Europe had made classic economic principles fashionable once again: "supply and demand", "market forces" and "free competition" were now the terms used everywhere as magic formulas capable of bringing about equilibrium and progress throughout the world. Although Colombia believed in the importance of the private sector and in freedom of action, it regarded government action inspired by solidarity, both at home and abroad, as the right machinery for making the world more just and more harmonious.

81. The future was disturbing. Idealism was absent from the "new international order", visionaries had given place to bureaucrats and solutions to bargaining. Proof was in the Uruguay Round, which, after five years' work, had still not been concluded and had produced very disparate results. Nevertheless, an agreement must be reached soon to allow the Round to end in success, even though it was already apparent that the ambitions of the Punta del Este Declaration would not come to pass. Colombia hoped, however, that the Uruguay Round would produce positive results and that the multilateral trading system would thus not slip into a period of crisis. The collapse of the Uruguay Round would give rise to strong protectionist pressures that had formerly been warded off, in one way or another, as long as there was hope of a successful conclusion of the negotiations. A trade war would wipe out all the rules of the multilateral trading system and replace them with the law of the jungle. Sacrifices were needed to prevent that from happening: some parties would have to liberalize their agriculture, others accept an agreement on services that would oblige them to open all sectors equally, and yet others would have to accept multilateral rules which would limit their capacity to act unilaterally, as was their current practice. The success of the Uruguay Round, therefore, would depend on a spirit of world solidarity which would make it possible to lay the foundation for a trading system that would be more just and more equitable for all concerned.

82. At the meeting held in Caracas in August, the ministers for foreign affairs of the countries of Latin America and the Caribbean had examined the

(Mr. Salazar, Colombia)

accelerating change in their political structures and its impact on the world economy and on the creation of new and more extensive regional spaces. Their analysis of the situation in the developing countries had shown that, having undertaken major domestic reforms to bring their economies into line with a more open and more international system, those countries faced an erosion of international cooperation and a weakening of common interest in the important objectives of development. The ministers had therefore underscored that sustainable and equitable development could only be achieved through an international system based on cooperation and multilateralism and that the sole way of resolving national disagreements was through a dialogue that proceeded from a definition of world interests. In their opinion, the eighth session of UNCTAD would afford an excellent opportunity to reopen the dialogue on development and international economic cooperation. UNCTAD had lost ground in negotiations on the fundamental issues raised by international economic relations, and the Cartagena meeting would be the occasion to revitalize it. To that end, it was necessary to establish flexible mechanisms to analyse and discuss the evolution of the world economy and to formulate policies to be implemented at national and international levels; to elaborate a new strategy to promote the negotiations, to avoid confrontations and ensure the follow-up of the agreements; and to strengthen technical assistance so as to establish a closer link between operational capacity and UNCTAD's study and analysis function.

83. Colombia was convinced that there must be, as envisaged by the founding States of the United Nations, an international trade organization to complement IMF and the World Bank, a role that GATT and UNCTAD had played in the past. Perhaps that task should be given a more permanent and institutionalized character. It would be necessary to implement the results of the Uruguay negotiations, adopt procedures for settling differences and give GATT a solid institutional basis to enable it to cooperate with other entities in the search for a world economic policy. That was a question which must be analysed carefully, especially if the Uruguay negotiations were successful.

84. Mr. SZEDLACSKO (Hungary) said that the transition to a market economy, which had begun 20 years previously in his country, had recently stepped up its pace. Important political and social changes had taken place in 1990 that had been integrated into that process. The economic measures taken included the drafting of new corporate legislation, the introduction of a taxation system that met international standards, and price and import liberalization.

85. The increasing speed of the transition could not help but have a heavy impact, which his Government was seeking to attenuate, but it was aware that long-term development required certain sacrifices in the short run. Hungary was prepared to bear the burden of the transition from a centrally planned to a market economy, but that could be achieved only in a favourable international economic setting.

(Mr. Szedlacsko, Hungary)

86. For Hungary, international economic relations were of crucial importance for its own economic development. Economic progress was directly linked to the trade performance of the country and to its integration in the world economy. Hungary's trade policy placed emphasis on full integration in the network of world trade through economic and trade liberalization, improved export possibilities and a shifting of the centre of gravity in foreign economic relations. To that end, his Government attached great importance to a favourable external environment, including an effective multilateral trade system with agreed norms and principles.

87. All countries and groups of countries had an interest in the successful conclusion of the Uruguay negotiations. For Hungary, agriculture was a priority area, and it was strongly in favour of putting an end to the subsidies policies of certain countries and to market barriers. With that in mind, his Government was actively participating in the ongoing negotiations and cooperating with other countries of the Cairns Group.

88. Hungary also sought to speed up its integration in the world economy through bilateral agreements. It intended to restore its historical economic and cultural ties with European partners and had already started negotiations with the States members of the European Economic Community and the European Free Trade Association (EFTA) on improving its economic and trade relations with those countries. It was placing great emphasis on establishing closer trade links with the United States, Japan and other OECD countries, as well as with the developing countries.

89. In order to give increased impetus to the economic transition, Hungary had adopted a wide range of important regulations, legislation and measures that had already produced encouraging results, notably the convertibility of the national currency, the development of the current-account balance and a substantial growth in direct foreign investments. Hungary was prepared to open its market and to offer foreign partners the same treatment as national entrepreneurs received, but expected its partners to do likewise. Hungary's historic endeavour was based not on assistance, but on mutually advantageous economic cooperation, particularly within the framework of a smoothly functioning international trade system.

90. Mr. KOIKE (Japan) said that his delegation welcomed the commitments that many least developed countries (LDCs) had made to change their economic policy. The goals included economic revitalization, with priority given to structural reforms, human resource development, environmental protection and diversification of the production sector. Attaining them would not be easy, but the international community, in a spirit of solidarity, was committed to ensuring a sound international environment and supporting the efforts of the least developed countries to achieve self-reliance. Increased exports by the LDCs presupposed an effective and open multilateral trading system to provide market access for their products.

(Mr. Koike, Japan)

91. Financing for development required not only mobilization of domestic resources but also external assistance. Another matter in need of serious attention was the debt problem; the negotiations being conducted in the context of the Paris Club constituted a positive step in that regard.

92. The spirit of partnership evident among developing and developed countries at the Second United Nations Conference on the Least Developed Countries must continue to guide the efforts of the international community. All countries must contribute to implementing the Conference's Programme of Action.

93. The aim of the International Forum on the Problems of the Least Developed Countries, held in May 1991 in Tokyo, had been to build upon the consensus that had emerged at the Paris Conference by focusing on measures to revitalize the development of those countries. The participants had addressed a range of issues, inter alia, the reaffirmation of the partnership between the least developed countries and the developed countries to achieve sustainable development; the primacy of human resources, including the need to improve the capacities of the LDCs in that area and to ensure popular participation in development, an element that had been recognized as the best guarantee for the effective implementation of suitable development policies, there being a general consensus that democratization was crucial in that field; the importance of releasing the creative energy of the private sector through appropriate policies on direct investment, technology transfer and training; and the resource needs of the LDCs, in connection with which an appeal had been made to the developed countries for increased official development assistance and for further measures to alleviate the debt burden of the LDCs.

94. His Government was confident that the Forum had helped to intensify dialogue between partners and strengthen their commitment to the development process. In the interest of further promoting such dialogue, Japan was planning to host a conference on African development in Tokyo in 1993 to address emerging development issues facing African countries.

95. The problems confronting the least developed countries were extraordinarily complex and difficult; it was therefore essential that those countries and donor countries should coordinate their efforts in order to solve them. It was to be hoped that the conference in Tokyo would contribute to that end.

96. Mr. WIBISONO (Indonesia) said that the Committee was discussing the agenda item in a complex context characterized by rapprochement, liberalization of the world economy, technological innovation and growing interdependence. Within that context issues of trade and development were fast gaining central importance as instruments of economic cooperation for the promotion of growth and development.

(Mr. Wibisono, Indonesia)

97. His delegation welcomed the various reports before the Committee on the matter, including the 1991 UNCTAD report on trade and development. The report analysed the prospects for the world economy, painting a poor overall picture. Citing slowdowns in the developed market economies, deep recession in Eastern Europe and the aftermath of the Gulf crisis, it concluded that world production growth would further decline to 0.7 per cent and world trade growth slip to 3 per cent by the end of 1991. It showed that fatigue had set in. The expansion of international trade had slowed down, financial flows had contracted and commodity prices had further weakened. Those effects had had a particularly devastating impact on the development efforts of the developing countries. With regard to international trade, which played a key role in the promotion of economic growth, while many developing countries, including Indonesia, were unilaterally liberalizing their trading regimes, many developed countries were by contrast resorting to unilateralism and bilateralism including the adoption of policies in favour of managed trade and increased tariff and non-tariff barriers. Efforts to preserve and strengthen the multilateral trading system and measures to liberalize and increase market access for products of interest to developing countries should be given top priority. In that connection, Indonesia fully recognized the importance of the Uruguay Round and hoped that all parties would renew their political commitment to bring the Round to a successful and rapid conclusion with a balanced package which would take into account the particular interests of the developing countries.

98. Commodities, which represented the lion's share of export earnings for the majority of the developing countries, remained cause for concern. To offset declining commodity prices, developing countries increased their output thereby further depressing the prices. The need to meet debt payments under such conditions also aggravated the situation. Thus, terms of trade in the international marketplace continued to worsen for those countries. There was an urgent need to stabilize commodity markets by invigorating international commodity cooperation through the promotion of new mechanisms while preserving the spirit of the Integrated Programme for Commodities, including the optimal use of the Common Fund.

99. Many questions taken up by the Trade and Development Board bore a direct relationship to the agenda for the eighth session of the United Nations Conference on Trade and Development. His delegation noted with satisfaction that the Board had adopted three important resolutions on debt and development problems, environment and sustainable development and on the financing of South-South trade. The resolution on sustainable development clarified and extended UNCTAD's mandate in that field and set out a work programme for its intergovernmental bodies. It was gratifying that UNCTAD was increasingly integrating that important dimension of development in its work. It was also important that that concept was translated into workable development programmes in numerous fields covered by UNCTAD. In that context, Indonesia was particularly interested in technology transfers and financial assistance. The Board's resolution further stressed the need to strike a balance between

(Mr. Wibisono, Indonesia)

the dual imperatives of environmental protection and revitalization of growth which made the development of environmentally sound technologies in the developing countries even more important.

100. In its resolution on the question of debt and development problems, the Board called for an intensification of efforts to foster the dynamic reinforcement of the international debt strategy through greater cooperation among all members of the international community. In that connection, while it should be acknowledged that in some cases the present strategies on debt had already yielded positive results, it should also be admitted that the scope of debt relief resulting from the Brady Plan and the Toronto Initiative had been too limited. The report of the Trade and Development Board had indicated that the Brady Plan had yet to break the vicious circle of over-indebtedness, domestic financial disorder and low growth experienced by most of the developing countries. In order to respond effectively to the multifaceted character of the debt problem, those initiatives should be given their broadest and most expeditious implementation. They should also be expanded to embrace all categories of debt of developing countries.

101. With regard to the resolution on economic cooperation between developing countries (ECDC), particularly on financing for trade among those countries, while the strengthening of ECDC was primarily the responsibility of the developing countries themselves, the support and participation of the other members of the international community played a significant role. In that context, it would be useful if UNCTAD could look at the possibility of establishing an interregional trade finance mechanism among the developing countries.

102. His Government attached great importance to improving the socio-economic conditions of the least developed countries. It was only through the active support of the international community that those countries would be able to move towards self-sustained development. Although the success of the least developed countries' development programmes would depend to a large extent on their own efforts, there was undoubtedly a need for a supportive external economic environment. It was therefore of crucial importance that they received adequate assistance from the international community so that a durable solution could be found to debt problems and access to markets made easier for them.

103. Finally, in order to invigorate trade and development it was imperative to revitalize international cooperation. To that end there was an urgent need to pursue management measures for the global economy involving the effective participation of all countries. That endeavour would entail the establishment of a dynamic trading system, the creation of favourable conditions for a sustained flow of adequate financial resources and the promotion of technology transfers on terms that were preferential to the developing countries. In that context, the eighth session of the United Nations Conference on Trade and Development would provide a constructive forum for the international community

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to hold a thorough discussion of the various issues of trade and development. In order to ensure its success, it was imperative that all participating countries demonstrate their political will in resolving those issues and propose fresh ideas and approaches for forging renewed international cooperation to meet the challenges of the 1990s. It was likewise important to revitalize the role and functions of UNCTAD itself so as to make the organization more active. To that end it was necessary to enhance political support for UNCTAD and to make it a dynamic instrument of international cooperation for trade and development. It needed to adjust its objectives and functions in line with the prevailing realities and emerging developments and to focus its efforts on more productive means of negotiation.

The meeting rose at 1.15 p.m.